

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,
et al.,

Debtors.¹

PROMESA

Title III

Case No. 17-03283 (LTS)

(Jointly Administered)

**JOINDER OF NATIONAL PUBLIC FINANCE GUARANTEE
CORPORATION TO INFORMATIVE MOTION OF COFINA SENIOR
BONDHOLDERS' COALITION WITH RESPECT TO MOTION OF COFINA AGENT
FOR ORDER CONFIRMING THAT 48 U.S.C. § 2125 APPLIES TO COFINA AGENT**

National Public Finance Guarantee Corporation (“National”) hereby joins in the *Informative Motion of COFINA Senior Bondholders' Coalition with Respect to Motion of COFINA Agent for Order Confirming that 48 U.S.C. § 2125 Applies to COFINA Agent* [ECF No. 1430] (the

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

“Informative Motion”).² In further support of the COFINA Agent Motion, National respectfully states as follows:

1. The Commonwealth-COFINA Stipulation is intended to address the deep conflicts of AAFAF and the Oversight Board by removing them from a decision-making position with respect to any litigation over the ownership of the sales and use taxes pledged as security for COFINA bonds. To that end, the cornerstone of the Commonwealth-COFINA Stipulation is appointment of independent agents to “litigate and/or settle the Commonwealth-COFINA Dispute” as representatives for the Commonwealth and COFINA, respectively. Commonwealth-COFINA Stipulation ¶4(a) and (b). The Commonwealth-COFINA Stipulation defines “Commonwealth-COFINA Dispute” to mean “[w]hether, after considering all procedural and substantive defenses and counterclaims, including constitutional issues, the sales and use taxes purportedly pledged by COFINA to secure debt (the ‘Pledged Sales Taxes’) are property of the Commonwealth or COFINA under applicable law.” Stipulation and Order ¶4.

2. The Commonwealth-COFINA Stipulation, including the definition of “Commonwealth-COFINA Dispute,” was heavily negotiated among AAFAF, the Oversight Board, and several parties with an interest in the Commonwealth-COFINA Dispute, including National. The plain language of the Commonwealth-COFINA Stipulation is clear that the Agents are (a) representatives of the Commonwealth and COFINA, like the Oversight Board, and (b) authorized to litigate and/or settle “all procedural and substantive defenses and counterclaims, including constitutional issues,” subject to any express limitations within the Commonwealth-COFINA Stipulation.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Informative Motion.

3. The COFINA Agent has acted within the scope of her authority under the Commonwealth-COFINA Stipulation and is entitled to the same degree of immunity as the Oversight Board would be if it had not been sidelined due to conflicts. Accordingly, the Court should approve the COFINA Agent Motion.

RESPECTFULLY SUBMITTED, in San Juan, Puerto Rico, this 11th day of October, 2017.

WE HEREBY CERTIFY that on this same date a true and exact copy of this motion was filed with the Clerk of Court using the CM/ECF system, which will notify a copy to counsel of record. Also, copy of this document will be notified via electronic mail to all case participants.

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